

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 93 - SB 761

February 23, 2021

**SUMMARY OF ORIGINAL BILL:** Requires the Division of TennCare (Division), if it receives a notice to creditors within 12 months of a decedent's death, to file a claim with the probate court clerk within the later of 12 months from the decedent's death or four months from the date when the Division received the notice to creditors. Forever bars the Division from making a claim if the Division does not receive a notice to creditors within 12 months of the decedent's death unless the Division files a claim with the probate court clerk or brings or revives suit within 48 months of the decedent's death.

**CORRECTED FISCAL IMPACT OF ORIGINAL BILL:**

Decrease State Revenue - \$1,087,900/FY21-22 and Subsequent Years

The Governor's proposed budget for FY21-22, on page A-35, recognizes a recurring decrease in state expenditures in the amount of \$1,087,900 to the General Fund.

**SUMMARY OF AMENDMENT (003901):** Deletes and replaces language in the original bill without making any substantive changes. Adds language to the original bill that authorizes the probate estate of a decedent to close without certain financial documents from the Division, if the Division did not file a claim with the probate court clerk against the decedent's estate.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the corrected fiscal impact.**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 71-5-116(c)(2), prior to closing any probate estate with respect to a decedent who, at the time of death, was enrolled in the TennCare program, the personal representative of the estate is required to file with the clerk of the court exercising probate jurisdiction a release from the Division evidencing either: (1) payment of all medical assistance benefits, premiums, or other costs due from the estate under law; (2) a waiver of the Division's claims; or (3) a statement from the Division that no amount is due.

- Authorizing the probate estate of a decedent to close without financial statements from the Division when the Division does not file a claim against the estate will have no significant impact on the courts or the Division.
- Based on information provided by the Division, the average collections from estates in calendar years 2018 and 2019 that were more than four years old were \$3,227,700. It is assumed this amount will no longer be recoverable as a result of this legislation.
- The state portion of the recovery is based on the current federal medical assistance percentages (FMAP) received by the state. For FY21-22, the federal match is 66.295, resulting in 33.705 percent being state funds.
- The recurring decrease in state revenue collected from estates recoveries is estimated to be \$1,087,896 ( $\$3,227,700 \times 33.705\%$ ).

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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